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SUBJECT: South China View on Ma Ying-jeou Situation: Will the "Chaos" and Political Jockeying Stabilize Cross-Strait Relations?

REF: A) Beijing 1064 B) Taipei 376

- (U) This document is sensitive but unclassified, please protect accordingly.
- 11. (SBU) Professor Zhang Wensheng, Deputy Director of the Political Research Office at Xiamen University's Taiwan Research Institute, told Congenoff February 14 that Taiwan's political scene will be "chaotic" in the aftermath of Ma Ying-jeou's indictment and resignation as KMT Chairman. Zhang believes the political struggle between and within the Pan-Blue and Pan-Green coalitions will intensify, especially as politicians vie aggressively for designation as the 2008 presidential nominee. Zhang expects the "chaos" to last until the summer, adding that Chen Shui-bian may feel less pressured to use the Taiwan independence issue to draw attention away from his own corruption problems.
- 12. (SBU) Despite his indictment and resignation, Ma's declaration that he will still run in the presidential election has led to an earlier start of the 2008 campaign than expected, Zhang said. Zhang said that Wang Jyn-ping will lose no time in positioning himself for the KMT nomination, though he might back off a bit if former KMT Chairman Lien Chan were to contest it as well. Zhang also thought that Lee Teng-hui, leader of the Taiwan Solidarity Union, had moderated his pro-independence stance as a prelude to an alliance with Wang. The number of DPP candidates will widen, in Zhang's view, as they become encouraged by the possible loss of one of the KMT's strongest and most popular leader.

**GOLDBERG**